

Date signed October 12, 2006



A handwritten signature in cursive script that reads "Paul Mannes".

PAUL MANNES
U. S. BANKRUPTCY JUDGE

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
at Greenbelt**

In re:

**National Energy & Gas Transmission, Inc.
(f/k/a PG&E National Energy Group, Inc.),
et al.,**

Debtors.

**Case No. 03-30459PM*
Chapter 11**

**Jointly administered with Case Nos.
03-30461 through 03-30464 and 03-30686
through 03-30687**

MEMORANDUM OF DECISION

The parties have submitted the dispute on the Motion of the Steering Committees for Lake Road and La Paloma Lenders for Extension of Order Compelling Inclusion of Disallowed Claims in Disputed Claims Reserve through October 2, 2006, on the papers. While the court has a strong suspicion, given the perceived lack of merit of the Steering Committees' position that the purpose of the motion is to coerce a more favorable settlement proposal, in considering the relative lack of prejudice to the other creditors of the debtor caused by a further delay, the court will nonetheless grant the request in part.

An appropriate order will be entered.

cc: Paul M. Nussbaum
Martin T. Fletcher
Dennis J. Shaffer
Whiteford, Taylor & Preston
Seven Saint Paul Street, Suite 1400
Baltimore, Maryland 21202
Matthew A. Feldman

Steven Wilamowsky
Jessica S. Etra
Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, New York 10019-6009

Thomas D. Renda
Patricia A. Borenstein
Miles & Stockbridge P.C.
10 Light Street
Baltimore, Maryland 21202

Luc A. Despins
Paul Malek
Milbank, Tweed, Hadley & McCloy LLP
1 Chase Manhattan Plaza
New York, NY 10005-1413

John L. Daugherty
Assistant United States Trustee
6305 Ivy Lane, Suite 600
Greenbelt, Maryland 20770

All other parties requesting notice

End of Memorandum Decision